

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 217 amends Nebraska Revised Statutes Section 77-3517 regarding the homestead exemption.

Current law provides that if, after completion of a review of a homestead exemption, the Tax Commissioner determines that the exemption should have been denied or reduced, the county assessor is to remove or reduce the exemption from the county's tax rolls. The amount of tax now due as a result of this action becomes a lien on the homestead until paid.

LB 217 would add language to this section to provide that 30 days after the exemption is removed or reduced, interest shall begin to accrue on the amount of tax due at the rate set forth in Section 45-104.01. That rate is currently set at an annual rate of 14%.

The bill has an operative date of January 1, 2018.

The Department of Revenue indicates no fiscal impact to the General Fund and the cost to implement the provisions of LB 217 will be minimal.

We agree with the Department's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials (NACO) indicates that LB 217 could have a minimally positive fiscal impact.

We have no basis to disagree.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:217	AM:	AGENCY/POLT. SUB: NE Association of County Officials	
REVIEWED BY: Lyn Heaton		DATE: 2/1/2017	PHONE: (402) 471-4181
COMMENTS: It is reasonable to assume that some amount of increased revenue could be experienced by counties due to the accrual of interest. Such amount is indeterminate.			

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFA: 1/31/2017

Approved by: Tony Fulton

Date Prepared: 1/30/2017

Phone: 471-5896

	FY 2017-2018		FY 2018-2019		FY 2019-2020	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0		\$0		\$0	
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0		\$0		\$0	

LB 217 would amend § 77-3517 to provide that, whenever there is a change made to the percentage of exemption for a homestead applicant after the Tax Commissioner’s review, interest does not begin to accrue until 30 days after the county assessor receives approval from the county board of equalization to remove or reduce the exemption. Currently interest begins accruing immediately.

LB 217 would become operative on January 1, 2018.

It is estimated that this bill will have no impact on General Fund expenditures.

The costs for the Department to implement this bill would be minimal.

Major Objects of Expenditure

Class Code	Classification Title	17-18 FTE	18-19 FTE	19-20 FTE	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Aid.....							
Capital Improvements.....							
Total.....							

Please complete ALL (5) blanks in the first three lines.

2017

LB⁽¹⁾ 217

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/17/2017 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 217 would change provisions relating to the accrual of interest on denied and reduced homestead exemptions by stating that after thirty days from when the county assessor receives approval from the county board to remove or reduce the exemption from the tax rolls of the county, interest at the rate specified in sections 45-104.01, as such rate may from time to time be adjusted by the Legislature, shall begin to accrue in the amount of tax due.

The changes made as a result of LB 217 would result in (1) no change if taxes due are paid within 30 days or (2) an increase in money collected by a county if the taxes are not paid within 30 days from removing or reducing a homestead exemption.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____